

**134.452 Private purchaser of certificate of delinquency -- Collection limitations --  
Notice to proper owner. (Effective until January 1, 2010)**

- (1) Notwithstanding any other provisions of this chapter, a private purchaser of a certificate of delinquency shall be entitled to collect only the following:
  - (a) The amount actually paid to purchase the certificate of delinquency;
  - (b) Interest accrued subsequent to the date the certificate of delinquency was purchased as provided in KRS 134.500;
  - (c) Attorneys' fees as provided in this paragraph.
    1. Attorneys' fees incurred for collection efforts prior to litigation as follows:
      - a. If the amount paid for a certificate of delinquency is between five dollars (\$5) and three hundred fifty dollars (\$350), actual reasonable fees incurred up to one hundred percent (100%) of the amount of the certificate of delinquency, not to exceed three hundred fifty dollars (\$350);
      - b. If the amount paid for a certificate of delinquency is between three hundred fifty-one dollars (\$351) and seven hundred dollars (\$700), actual reasonable fees incurred up to eighty percent (80%) of the amount of the certificate of delinquency, not to exceed five hundred sixty dollars (\$560); and
      - c. If the amount paid for a certificate of delinquency is above seven hundred one dollars (\$701), actual reasonable fees incurred up to seventy percent (70%) of the amount of the certificate of delinquency, not to exceed seven hundred dollars (\$700).
    2. If a private purchaser is the owner of more than one (1) certificate of delinquency against the same taxpayer, actual and reasonable prelitigation attorneys' fees for all certificates of delinquency against the same taxpayer shall not exceed one and one-half (1.5) times the maximum amount permitted in subparagraph 1. of this paragraph for the largest tax bill owed by the taxpayer.
    3. In addition to the prelitigation attorneys' fees established by subparagraphs 1. and 2. of this paragraph, a private purchaser may collect actual, reasonable attorneys' fees and costs that arise due to the prosecution of collection remedies or the protection of a certificate of delinquency that is involved in litigation; and
  - (d) Administrative fees incurred for preparing, recording, and releasing an assignment of the certificate of delinquency in the county clerk's office, not to exceed one hundred dollars (\$100).
- (2) A private purchaser holding a certificate of delinquency on June 26, 2007, shall, regardless of when that certificate of delinquency was purchased, send to the property owner by January 31, 2008, at the address reflected in the records maintained by the property valuation administrator, the following information:

- (a) The legal name of the purchaser;
  - (b) The purchaser's physical address;
  - (c) The purchaser's mailing address for payments, if different from the physical address; and
  - (d) The purchaser's telephone number.
- (3) The provisions of KRS 132.490(1)(b), relating to notice if contact information changes, shall apply to all private purchasers of certificates of delinquency regardless of when the certificate of delinquency was purchased.
  - (4) Within ninety (90) days after the expiration of the one (1) year tolling period provided in KRS 134.470, the private purchaser shall send to the taxpayer by first-class mail, with proof of mailing, a notice informing the taxpayer that the certificate of delinquency may be enforced as provided in KRS 134.490(2). The notices shall be sent to the address reflected in the records maintained by the property valuation administrator. The notice shall also include the contact information required by KRS 134.490(1)(b).
  - (5) Within thirty (30) days but at least fifteen (15) days prior to initiating any of the collection remedies enumerated in KRS 134.490(2), the private purchaser shall send to the taxpayer by first-class mail, with proof of mailing, a notice informing the taxpayer that enforcement actions will be taken. The notices shall be sent to the address reflected in the records maintained by the property valuation administrator. The notice shall also include the contact information required by KRS 134.490(1)(b).

**Effective:** June 26, 2007

**History:** Created 2007 Ky. Acts ch. 14, sec. 1, effective June 26, 2007.

**Legislative Research Commission Note** (6/26/2007). A reference in subsection (3) of this section in 2007 Ky. Acts ch. 14, sec. 1(3), to "subparagraph 4. of paragraph (b) of subsection (1) of Section 5 of this Act (KRS 134.490)" has been corrected in codification to read "KRS 134.490(1)(b)" by the Reviser of Statutes under the authority of KRS 7.136.

**2008-2010 Budget Reference.** See State/Executive Branch Budget, 2008 Ky. Acts ch. 127, Pt. I, D, 1, (2) at 501; and State/Executive Branch Budget Memorandum, 2008 Ky. Acts ch. 188, at 1332 (Final Budget Memorandum, Vol. III, at D-10).

**2008-2010 Budget Reference.** See State/Executive Branch Budget, 2008 Ky. Acts ch. 127, Pt. I, E, 10, (2) at 510; and State/Executive Branch Budget Memorandum, 2008 Ky. Acts ch. 188, at 1413 (Final Budget Memorandum, Vol. III, at E-38).

### **134.452 Third-party purchaser of certificate of delinquency -- Fees -- Collection limitations -- Notice to proper owner. (Effective January 1, 2010)**

Notwithstanding any other provisions of this chapter, a third-party purchaser of a certificate of delinquency shall be entitled to collect only the following:

- (1) The amount actually paid for the certificate of delinquency;
- (2) Interest as provided in KRS 134.125, calculated on the amount actually paid to the county clerk from the date the certificate of delinquency was purchased until paid; and
- (3) Attorneys' fees as provided in this subsection.

- (a) Attorneys' fees incurred for collection efforts prior to litigation as follows:
  - 1. If the amount paid for a certificate of delinquency is between five dollars (\$5) and three hundred fifty dollars (\$350), actual reasonable fees incurred up to one hundred percent (100%) of the amount of the certificate of delinquency, not to exceed three hundred fifty dollars (\$350);
  - 2. If the amount paid for a certificate of delinquency is between three hundred fifty-one dollars (\$351) and seven hundred dollars (\$700), actual reasonable fees incurred up to eighty percent (80%) of the amount of the certificate of delinquency, not to exceed five hundred sixty dollars (\$560); and
  - 3. If the amount paid for a certificate of delinquency is above seven hundred one dollars (\$701), actual reasonable fees incurred up to seventy percent (70%) of the amount of the certificate of delinquency, not to exceed seven hundred dollars (\$700).
- (b) If a third-party purchaser is the owner of more than one (1) certificate of delinquency against the same taxpayer, actual and reasonable prelitigation attorneys' fees for all certificates of delinquency against the same taxpayer shall not exceed one and one-half (1.5) times the maximum amount permitted in paragraph (a) of this subsection for the largest tax bill owed by the taxpayer.
- (c) In addition to the prelitigation attorneys' fees established by paragraphs (a) and (b) of this subsection, a third-party purchaser may collect actual, reasonable attorneys' fees and costs that arise due to the prosecution of collection remedies or the protection of a certificate of delinquency that is involved in litigation; and
- (4) Administrative fees incurred for preparing, recording, and releasing an assignment of the certificate of delinquency in the county clerk's office, not to exceed one hundred dollars (\$100).

A certificate of delinquency owned by a third-party purchaser shall be deemed a general intangible for the purposes of Article 9 of KRS Chapter 355.

**Effective:** January 1, 2010

**History:** Amended 2009 Ky. Acts ch. 10, sec. 14, effective January 1, 2010. -- Created 2007 Ky. Acts ch. 14, sec. 1, effective June 26, 2007.

**Legislative Research Commission Note** (6/26/2007). A reference in subsection (3) of this section in 2007 Ky. Acts ch. 14, sec. 1(3), to "subparagraph 4. of paragraph (b) of subsection (1) of Section 5 of this Act (KRS 134.490)" has been corrected in codification to read "KRS 134.490(1)(b)" by the Reviser of Statutes under the authority of KRS 7.136.

**2008-2010 Budget Reference.** See State/Executive Branch Budget, 2008 Ky. Acts ch. 127, Pt. I, D, 1, (2) at 501; and State/Executive Branch Budget Memorandum, 2008 Ky. Acts ch. 188, at 1332 (Final Budget Memorandum, Vol. III, at D-10).

**2008-2010 Budget Reference.** See State/Executive Branch Budget, 2008 Ky. Acts ch. 127, Pt. I, E, 10, (2) at 510; and State/Executive Branch Budget Memorandum, 2008 Ky. Acts ch. 188, at 1413 (Final Budget Memorandum, Vol. III, at E-38).